

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

September 4, 2001

MAINE PUBLIC UTILITIES COMMISSION
Investigation Into the Rates of Community
Service Telephone Company Pursuant to
35-A M.R.S.A. § 7101-B
Docket No. 1998-893

COMMUNITY SERVICE TELEPHONE
COMPANY
Proposed Rate Change
Docket No. 2000-806

ORDER APPROVING
STIPULATION; ORDER
CLOSING CASES (EXCEPT
2001-249)

COMMUNITY SERVICE TELEPHONE
COMPANY
Proposed Tariff Revision for Increase in
Rates
Docket No. 2001-249

COMMUNITY SERVICE TELEPHONE
COMPANY
Proposed Tariff Revision for Intrastate
Access Service
Docket No. 2001-251

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order we approve the Stipulation filed on May 24, 2001 in the four cases named above. Our approval of the Stipulation finally disposes of three of the cases. The fourth case, Docket No. 2001-249, is the case in which Community Service Telephone Company's (CST) proposed rates will be considered.

II. DISCUSSION

On May 24, 2001, CST filed a Stipulation that proposed certain dispositions for three of the cases listed above and addressed the processing of the remaining case (Docket No. 2001-249), the rate case filed by the Company on April 6, 2001.¹ Paragraph 5 of the Stipulation Provisions establishes an "amortization amount" that will

¹Only the Company signed the Stipulation, but the cover letter stated that Tenley Kent did not object to it. The Office of the Public Advocate informed the Commission Staff that it did not object to the Stipulation.

be included in the final disposition of Docket No. 2001-249²; Paragraph 8 establishes a procedure for altering the amortization amount, based on findings that we may make about earnings during the pendency of that case.

We note that Paragraph 5 states:

In any subsequent general rate proceeding in which rates are established to be effective for the period between the Implementation Date, and the expiration of the Amortization Period, the annual revenue requirement used to establish the rates *during that period* shall be reduced by the applicable Annual Amortization Amount, until the end of the Amortization Period. (emphasis added)

The phrase “during that period” apparently assumes that only one rate proceeding might occur between the “Implementation Date” and the end of the Amortization period. The Implementation Date is defined as the rates that will be established in Docket No. 2001-249. The Amortization Period can be as long as five years under Paragraph 7 and might be extended pursuant to the provisions of Paragraph 8. It is possible that the Company may have more than one rate proceeding after the conclusion of the proceeding in Docket No. 2001-249 and before the end of the Amortization Period. We expect that the intent of the parties is that the amortization should continue through “any” (i.e., all) additional rate proceedings that may occur prior to the Amortization Amount being used up. We interpret Paragraph 5 accordingly. If a party disagrees with this interpretation, it should contact the Commission immediately.

We have reviewed the terms of the Stipulation and find that it reasonably and adequately addresses the concerns that we discussed in our order of May 9, 2001 that rejected a prior Stipulation, filed unilaterally by the Company on April 26, 2001. We also find that it is reasonable to close the two prior rate proceedings (Docket Nos. 98-893 and 2000-806) and the recent access charge filing in Docket No. 2000-251. We find that the access charges proposed in Docket No. 2001-251 are reasonable on an interim basis until the conclusion of the rate case in Docket No. 2001-249.

Accordingly, we

1. APPROVE the Stipulation filed in the above-captioned cases and incorporate its Provisions as part of this Order;

²As stated in the “Background” section of the Stipulation, the parties agreed orally to the amortization amount (and a depreciation write-off) in Docket No. 98-893. The agreement was not reduced to writing until the Stipulation filed on April 26, 2001, which we rejected in an order issued on May 9, 2001.

2. APPROVE the access rates proposed in Docket No. 2001-251, to be effective on the proposed effective date, May 30, 2001; and
3. CLOSE the cases in Docket Nos. 98-893, 2000-806 and 2001-251.

Dated at Augusta, Maine, this 4th day of September, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.